

**From:** Wayne Hedberg  
**To:** Lynn Kunzler, Mary Ann Wright  
**Date:** Thu, Dec 2, 1999 10:50 AM  
**Subject:** Phonecall from Hecla Mining Company - Escalante Mine (M/021/004)

On December 1, 1999, I received a telephone call from Larry Drew and Dave Suhr of Hecla Mining Company. They called in response to our Sept. 21, 1999 letter which deals with their outstanding change in post-mining land use proposal and surety release request.

Mr. Drew said they have gone back and reviewed all their correspondence and related documents back several years. After doing so, he does not believe that Hecla can adequately respond to and/or resolve some of the outstanding concerns and requirements as outlined in our latest letter.

It was his opinion that the sales agreement entered into between Hecla and Dixie Cable concerning the transfer of ownership of the Escalante Mine & Mill property precludes Hecla from having much (if any) remaining control over or access to the properties. He stated that the sales contract imposed some stringent cleanup requirements upon Dixie Cable and transferred most (if not all) of the remaining liability for the site to Dixie Cable when they sold it to them in 1998.

He stated that they still had not heard back from the BLM on the outstanding title and land ownership issue (private, state or federal property ownership?). He didn't understand why this was of concern now, since the State supposedly legally deeded/sold this property to Rancher's Exploration Co.(?) back in the 1970's(?), which Hecla subsequently acquired in the early 1980's(?). BLM was (and still may be?) the original owner of this property before portions were acquired by the State.

We discussed our reclamation concern for the remaining waste rock stockpile at the mine site. Mr. Drew said he thought that this material would qualify as mineral beneficiation waste (ie., Bevil exempt?) and accordingly would not be subject to regulation by DEQ per se. He stated that if they had known ahead of time that leaving this residual stockpile would present a reclamation concern, they would have moved all (not just some) of it to the tailings impoundment when it was reclaimed several years ago. He said their sales agreement with Dixie Cable specifically precludes Dixie from moving the waste rock material or selling it for road aggregate or similar purposes, etc. He believed that this material was now under Dixie Cable's control and their was little Hecla could do now, unless Dixie was failing to abide by the conditions of their sales agreement.

Mr. Drew stated that they probably would have their attorney contact Clifford Dunn (Dixie Cable's counsel) to see where things stand with final clean up of the mill site. He will also try to contact the BLM again to find out if the land ownership question is resolved yet. I said we would call again also to try help move this matter forward.

He also stated that the stockpile of waste(?) material located near the mill/loading area, as identified in our recent letter, was supposed to be transferred to Dixie Cable to clean up to the appropriate state standards.

Mr. Drew said that Nick Byrd is no longer associated with Dixie Cable and that Jason Pauley (President) is probably the appropriate contact now. Dixie Cable's address is listed on the Sales Contract (copy in our files).

We agreed to chat once more after making our respective contacts to exchange information. We would then discuss arranging a sit down meeting with all parties sometime after the new year. Hecla's surety bond premium comes due in February and they would like to resolve this matter if possible before then.

**A copy of this email message will be sent to the Hecla mine file. (M/021/004)**

**CC:** Doug Jensen, Tom Mitchell